

Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

March 27, 2012

Certified Return Receipt 7011 0110 0001 3568 3216

Karen A. Eder Chubb Group of Insurance Companies 15 Mountain View Road P. O. Box 1615 Warren, new Jersey 07061

Subject: Cancellation of Surety Bond Reynolds Sand and Gravel, Camp Williams

Pit 3, S/035/0044, Salt Lake County, Utah

Dear Ms. Eder:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated March 15, 2012, regarding cancellation of surety bond in the amount of \$25,100.00 effective 60 days from the Division's receipt of your letter. The surety bond was issued by Federal Insurance Company. The Division received the letter March 26, 2012; 60 days from that date is May 25, 2012.

Under the terms of the referenced surety bond, Federal Insurance Company must provide a 90-day written notice of cancellation. The Division, therefore, rejects the cancellation notice.

If you have any questions, please feel free to call me at 801-538-5261.

Sincerely.

Paul Baker

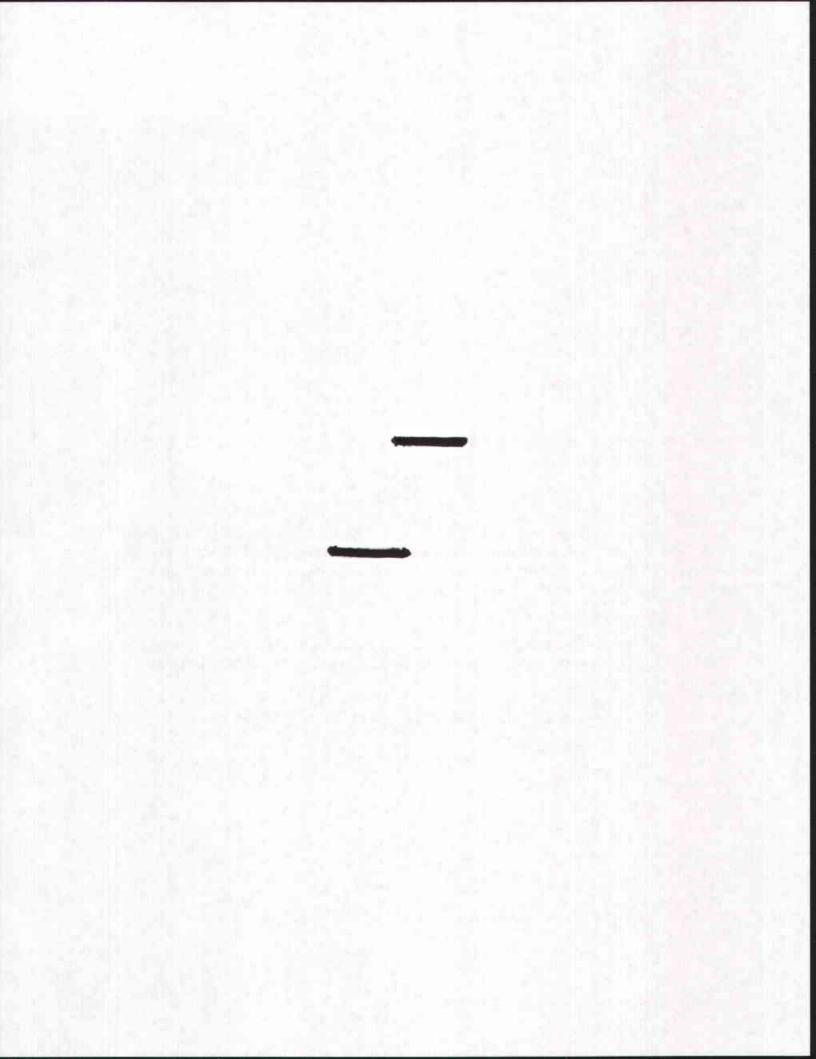
Minerals Program Manager

PBB:pb

Rob Reynolds, Reynolds Sand and Gravel

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CHUBB GROUP OF INSURANCE COMPANIES 15 MOUNTAIN VIEW ROAD P.O. BOX 1615 WARREN, NJ 07061

RECEIVED

MAR 2 6 2012

DIV. OF OIL, GAS & MINING MARCH 15, 2012

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

PRINCIPAL NAME: REYNOLDS SAND & GRAVEL

STREET: 6891 SOUTH 700 WEST, SUITE 200

CITY:

MIDVALE

UTAH

84047

OBLIGEE NAME: STATE OF UTAH, DIVISION OF OIL, GAS AND MINING AND

DEPARTMENT OF NATURAL RESOURCES

1594 WEST NORTH TEMPLE, SUITE 1210, BOX 145801

SALT LAKE CITY

UTAH

841145801

RE:

BOND NUMBER:

DESCRIPTION: UTAH MINED LAND RECLAMATION ACT SURETY BOND, PROJECT #:

500-1444-60, WORK ORDER #: 4890

BOND DATE: JUNE 10, 2010 BOND AMOUNT: \$25,100.00

TO WHOM IT MAY CONCERN:

PLEASE BE ADVISED THAT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ABOVE-DESCRIBED BOND, FEDERAL INSURANCE COMPANY AS SURETY, HEREBY CANCELS THE BOND EFFECTIVE 60 DAYS AFTER YOUR RECEIPT OF THIS LETTER.

VERY TRULY YOURS,

FEDERAL INSURANCE COMPANY

Karen A. Eder

CC: PRODUCER